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*Baku University of Business,**Baku, Azerbaijan***DEVELOPMENT STRATEGY OF BANKING ACTIVITY**

When analyzing the list of bank products, employees of the marketing service they should consider the preparation of a development strategy as the main goal. This the first task in the direction of the structure of services offered by the bank optimization. The second task is new within the framework of the development strategy is the preparation of products. A tool for the implementation of bank goals and objectives as the strategy of banking activity is chosen. There are different types of banking strategies credit transactions are understood.

The process of creating a new product includes a whole stage. All this Let's consider the stage in detail.

1. Search for ideas. It includes the following stages:

- search and collection of ideas;
- preparation and development of the intended product;

- formulation of marketing strategy. Searching and collecting ideas can be done in different ways. Idea can be earned from outside and as a result of special training. There are many tried-and-tested methods of making ideas come true. But we Let's focus on one of the most effective methods. It's about the "brain attack" method. Such an attack is short on ideas in a large amount allows to realize in the period. The essence of "attack" is that what if as many ideas are offered, choosing the most productive ones among them the probability is high. Banks have developed a whole system for selecting appropriate offers they should prepare. Each idea should not only meet the client's needs, absence should be checked, as well as ensuring the necessary profit rate, application whether the proposed idea will help the bank's strategy or not should be considered;

- selection of useful ideas; should be analyzed by direction;

- analysis of market opportunities;
- analysis of banking opportunities;
- the current prospective ratio for the purposes of the bank.

2. Introducing various products to the market of banking services to cover the market, creates new opportunities for sales volume and profit plan. It is important to assess the bank's capabilities for the service to be applied. Because it's a great idea, not implemented due to any lack of resources can However, in the stage of development of the new product, it was opened in front of the bank prospects should not contradict the tasks and objectives of the bank.

3. Product development. Development of bank product is responsible stage. At this stage, the idea must find its expression in a concrete product. The requirement

for the development of a banking product should be that be relevant to the initial characteristics of the service provided in the idea.

4. Product testing in market relations. Introducing a new service After developing the technique, the bank tests it in real conditions and offers to its customers in a limited range. The test phase of the banking product is its from the point of view of checking its quality in practice and the need for it is especially important.

5. Launching (commercialization) of a new product. New bank if the product has successfully passed all previous stages, a decision is made to market the service on a commercial basis. Bank to implement the new service to its customers immediately after its presentation should be ready. For this, great preparatory work must be done in advance.

From filling the market with new products and the bank's management team gradually introduce new products to avoid overloading it is appropriate to implement. Special attention to systemic products must be done. Because these are expensive products and take a long time to create is required. Like any commodity, banking product (service) is consistent in its development goes through several stages:

- 1) bringing the product to the market;
- 2) growth;
- 3) maturity (development);
- 4) decline (decline);
- 5) fall.

The product launch phase is the first time the bank service is offered it starts from being. The main characteristic of this stage is that it when the product is sold very slowly and as a result a very small profit is earned. As a rule, the first stage is to promote the product at a wide speed and marketing costs. The second characteristic of this stage is the high price of the product. But this is not always the case it doesn't happen. For example, in a number of cases, a new product is quickly accepted by customers in order to absorb and expand the sales market, the bank owns can spend a part of its profits on this work. At this stage, the main advantage of the bank, for now it is in the absence of competition. The duration of the product launch phase and consumers of product quality varies widely to meet their needs, to the principles of a correctly chosen marketing strategy mainly determined.

In the growth stage, the product is sold quickly and the profit is its own reaches its highest limit. Despite high marketing costs, its weight in aggregate expenditure is regularly reduced. This service is marketed costs are

reduced and as a result the price of the product is reduced. Growth stage competition is getting stronger and all the

strategic strength of the bank, the product is aimed at wide application in the market. The degree of competition of the product on the market depends greatly on the success rate. The characteristic feature here is that that the banks that apply the new product for the first time have better competitive opportunities they are. However, banks regularly improve the product they should take care. Because, "delayed" enterprises naturally produce will improve and the goal of suppressing the leaders to themselves as a task they will put In the growth phase, the bank expands its sales sphere and the market is new penetrates its segments. So, at this stage, the bank's profits are significant increases and attracts new customers. This is precisely why the growth phase the bank is very profitable and its extension is considered one of the main tasks.

The maturity (development) stage of the product is the relative decrease in its sales and even characterized by reduction. This is due to several reasons. Firstly, in the stage of maturity of the product, the needs of the consumers may be significantly modified can Second, this type of product can be replaced by another similar and more advanced product. Thirdly, the bank cannot keep up with the competitive pressure and this type of service is for it becomes one of the usual services. Finally, new, more efficient capital for the bank since investment opportunities arise, the provided service can be considered unprofitable.

At maturity, the amount of profit earned gradually begins to decrease. However, the product covers a wide range and maximizes the bank's customer base increases. This stage is characterized by high stability and solid profits. The main of the bank its strength to maintain its weight in the market, to improve the product, is focused on complex studies of marketing. Decline phase, product sales volumes fall and profits go to zero is characterized by its approach. Due to various banking products, the decrease attendance may also be different. A reduction in sales can occur quite sharply, or it can gradually stabilize and take a decision at any level. This stage It can happen for several reasons:

- competitors offer new products to the market;
- low quality indicators of goods in the later stages of production to be;
- existence of illegal competition in the market;
- shown in trade networks low level of services;
- monopolistic advertising, etc.

In the decline phase, the competition kind of fades away. This is the focus of new types of products is related to the transfer. As a result, competitive pressure is reduced banks are interested in the high cost of marketing the

product and sometimes even they also increase prices. In the list of banking services, which entered the decline stage maintaining a service type is considered an inefficient task. This is on the one hand incurring necessary expenses for the provision of services, and on the other hand, new, more by diverting funds and forces from the application of high-profitable products is related. Despite all this, the bank offers its old products can keep it in operation and use it at a cost-effective rate. Fall stage – of a firm or company in trade networks it is the stage of maximum reduction of consumption of products and their departure from the market. Although the life cycle of commodities is shown to be linear, it is not always this way. Firm and or regularly for the longevity of the company's goods they widely use the stimulation factor.

How efficient are banks at all stages of the current service type even if they spend effort on organizing, sooner or later new products (services) preparation will emerge as an objective necessity.

New product development, marketing is important for banks is considered one of the elements. Carried out with varying degrees of efficiency preparation often from the experience of bank employees, collection of valuable offers from the proper organization of work on and finally appropriate for the introduction of new products depends on the availability of means. Development and implementation of new banking products at the stage, calculating the costs of their creation and presentation is especially important. At first glance, it seems impossible to fulfill this task can be done, since all services of the bank are calculated on a single basis, It is difficult to determine exactly how much is spent on this or that service is the issue. However, in the competitive environment, the development of new products and The task of efficiency of the application is a matter that is constantly on the agenda, and the cost of doing so It is possible to solve it by conducting a comprehensive analysis of its structure.

When developing new products (services), in their application It is important to clearly imagine prospective directions. For example, such an operation It is advisable to develop services so that they complement existing services and be related to the main activity of the bank. When they offer new services profitability and the fact that it is a conventional traditional product, as well as operational and credit risks special attention should be paid to the minimum level.

In recent times, the demand for automation of applied services has occurred. Consider an important fact in the implementation of new services can't be missed. This is because new services come to the bank first even if it does not bring, it is necessary to take this step for further potential profit.

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Рафiв Ш. Стратегiя розвитку банкiвської дiяльностi

Аналізуючи перелік банкiвських продуктiв, працівникам служби маркетингу головною метою слiд вважати розробку стратегiї розвитку. Це перше завдання в напрямку оптимiзацiї структури послуг, якi пропонує банк. Друге нове завдання в рамках стратегiї розвитку – пiдготовка продукцiї. Вибрано iнструмент реалiзацiї цiлей i завдань банку як стратегiї банкiвської дiяльностi. Iснують рiзні типи банкiвських стратегiй кредитних операцiй.

Ключові слова: банки Азербайджану, банкiвська система, закон про банки, центральный банк, функцiї банку, законодавство.

Rafiev Sh. Development Strategy of Banking Activity

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Keywords: banks of Azerbaijan, banking system, law on banks, central bank, functions of the bank, legislation.

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